

Press Release

For Immediate Release

27 May 2016, Hong Kong



Singapore-listed GP Industries announces 2015/2016 final results

Gold Peak Industries (Holdings) Limited's (stock code: 40) 85.5% subsidiary, the Singapore-listed GP Industries Limited, today announced its unaudited consolidated results for the year ended 31 March 2016.

Summary of results of GP Industries

	(For the year ended 31 March)		% of change
	2016	2015	
Turnover	S\$1,038 million	S\$974 million	+ 6.6%
Profit attributable to equity holders of GP Industries	S\$22.84 million	S\$25.47 million	- 10.3%

Review of Results

GP Industries' revenue for the financial quarter from January to March 2016 ("Q4FY2016") was S\$233.6 million, which was similar to the revenue reported for the same period in 2015 ("Q4FY2015"). For the financial year which ended on 31 March 2016 ("FY2016"), GP Industries' revenue was S\$1,038.3 million, an increase of 6.6% over the revenue reported for the financial year ended 31 March 2015 ("FY2015"). Expressed in US dollar, GP Industries' revenue for FY2016 declined by 1.0% compared to FY2015.

In Q4FY2016, GP Industries registered an exchange loss of S\$6.6 million, mainly due to the appreciation of the Singapore dollar against the US dollar. In Q4FY2015, it registered an exchange gain of S\$4.4 million mainly attributable to the depreciation of the Singapore dollar against the US dollar.

In Q4FY2016, GP Batteries International Limited (“GP Batteries”) reported an exceptional loss of S\$7.4 million mainly from impairment charges for under-utilised factory assets and goodwill. As a result, GP Industries reported a net exceptional loss of S\$2.0 million for FY2016, comprising a S\$1.3 million write-back of unclaimed warranty provision, a S\$4.1 million property disposal gain of GP Batteries and the afore-mentioned S\$7.4 million exceptional loss reported by GP Batteries in Q4FY2016. In FY2015, GP Industries reported a net exceptional gain of S\$5.6 million, which included property disposal gains, impairment charges and restructuring costs.

For Q4FY2016, GP Industries reported a loss after taxation attributable to equity holders of S\$4.2 million while it reported a profit of S\$1.5 million for Q4FY2015. For FY2016, profit after taxation attributable to equity holders decreased by 10.3% to S\$22.8 million, compared to S\$25.5 million reported for FY2015.

However, excluding exceptional items, profit attributable to equity holders for FY2016 was S\$23.7 million, compared to S\$24.1 million for FY2015, a decrease of 1.7%.

Business Review of GP Industries

(for the year ended 31 March 2016)

Electronics and Acoustics Business

Revenue from the electronics and acoustics business in FY2016 increased by 6.4% when expressed in Singapore dollar terms and decreased by 1.2% when expressed in US dollar terms. In US dollar, the main trading currency of this business, sales of electronics products decreased by 2.7% while sales of acoustics products increased by 3.7%. Sales of acoustics products, in US dollar terms, increased by 10.5% and 12.2% to Asia and the US respectively while sales to Europe declined by 8.4%. Profit contribution after exceptional items and before taxation from the electronics and acoustics business in FY2016 increased by 4.7%.

Automotive Wire Harness Business

Revenue from the export-oriented automotive wire harness business grew by 12.9% in Singapore dollar terms or 4.8% in US dollar terms. Sales growth in US dollar terms was driven mainly by a 28.9% sales increase to China despite a 1.0% drop in sales to the US. This business segment wrote-back S\$1.3 million during FY2016, being the

unclaimed warranty cost provision relating to the disposal of the previously 50%-owned automotive wire harness manufacturing joint venture, Shanghai Jinting Automobile Harness Limited, in 2013. As a result, profit contribution after exceptional item and before taxation from the automotive wire harness business for FY2016 increased by 9.8%.

Battery Business

The revenue of GP Batteries for FY2016 was S\$765.3 million, 6.4% higher than FY2015 in Singapore dollar terms or 1.3% lower in US dollar terms. Sales of primary and rechargeable batteries increased by 6.1% and 8.2% respectively in Singapore dollar terms. In geographical terms, sales in Asia and Europe increased by 7.5% and 5.3% respectively, both in Singapore dollar terms.

Gross profit margin for FY2016 was 23.2%, improved slightly from 23.1% in FY2015.

In FY2016, GP Batteries reported a net exceptional loss of S\$3.3 million, comprising S\$4.5 million of fixed assets impairment with respect to its under-utilised rechargeable Lithium batteries production facilities, S\$2.9 million of goodwill impairment and S\$4.1 million of property disposal gain. In FY2015, GP Batteries reported a S\$6.9 million net exceptional gain, comprising property disposal gains and impairment charges against fixed assets and inventories.

GP Batteries' share of profit from associates increased from S\$0.7 million for FY2015 to S\$4.9 million for FY2016, due mainly to improved performance of its associates in Taiwan and Russia.

For FY2016, GP Batteries reported a profit after taxation attributable to its equity holders of S\$2.4 million, compared to S\$13.0 million for FY2015.

Other Industrial Investments

This business segment includes GP Industries' investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). Meiloon reported a profit before taxation during FY2016, compared to a loss in FY2015. On the other hand, the pre-tax profit contributed by Linkz decreased. Excluding exceptional items, this business segment reported a 59.6% increase in profit contribution. During FY2015, this business segment reported an exceptional loss of S\$1.0 million relating to the disposal of a subsidiary.

Prospects of GP Industries

Commenting on the prospects of GP Industries, Chairman and Chief Executive Officer, Victor Lo said, “Consumer demand for many key markets is expected to remain weak although some of GP Industries’ businesses in the US are expected to remain stable.”

“Global demands for primary batteries and rechargeable Nickel Metal Hydride batteries are expected to be slow-growing. Price competition is expected to be very keen. Growth has to come mainly from increasing market share and developing new applications.”

“GP Batteries’ new plant in Vietnam is under construction and GP Batteries is planning to increase the production capacity in its Malaysian plant.”

Lo continued, “In view of the slow-growing world economy, GP Industries will continue to maintain a healthy balance sheet and to enhance competitiveness by investing in technology, product development and building GP Industries’ brands.” Lo is also Chairman and Chief Executive of GP Batteries and Gold Peak.

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